



# **CITY OF HAYWARD**

## **AGENDA REPORT**

AGENDA DATE 4/25/00  
AGENDA ITEM 9  
WORK SESSION ITEM \_\_\_\_\_

**TO:** Redevelopment Agency Board

**FROM:** Executive Director

**SUBJECT:** Resolution Authorizing the Execution of an Agreement to Negotiate Exclusively with the City Center Commercial for an Office Building Adjacent to City Hall

### **RECOMMENDATION:**

It is recommended that the Redevelopment Agency Board authorize the Executive Director to execute an agreement to Negotiate Exclusively for a period of 120 days with the City Center Commercial for the development of an office building adjacent to City Hall.

### **BACKGROUND/DISCUSSION:**

As the Council and Board will recall, the original master plan for the Civic Center site (Site II) envisioned mixed-use development consisting of housing and office uses. Since the plan was developed, the City Hall has been constructed and housing has been approved for the parcel immediately south of City Hall.

In spite of efforts to cause a second office building to be constructed on the parcel west of City Hall (See Exhibit A), to date this use has not materialized. Indeed, when a Request for promoting both housing and office was considered last year, staff reported to the Board that only housing was proposed by the responding firms.

More recently, Gil Zaballos and Jack Smith, representing City Center Commercial, contacted staff to express interest in evaluating the viability of constructing an office building on the vacant parcel. Given site constraints, it is anticipated the parcel can accommodate an office building containing some 40,000 to 50,000 square feet.

To this end, staff is requesting authorization to enter into an exclusive negotiating agreement (ENA) with City Center Commercial for a period of 120 days. During this period, staff and company representatives will establish the terms and conditions of a Disposition and Development Agreement (DDA) for the Agency to consider. Among other things, the DDA will address land sale proceeds to be paid by the Developer to the Agency, the project's

design, as well as actions necessary to comply with the California Environmental Quality Act (CEQA), and a schedule of performance for construction.

### **KEY ELEMENTS OF THE AGREEMENT**

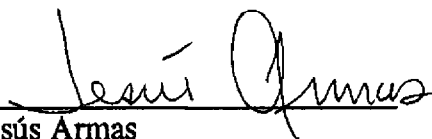
**DURATION OF THE AGREEMENT.** The duration of the ENA will be for a period of 120 days. During this period the Agency and Developer will endeavor to negotiate the terms and conditions of a Disposition and Development Agreement (DDA).

**DEPOSIT.** The Developer will be required to submit to the Agency a good faith cash deposit in the amount of \$25,000. During the period of the ENA, this deposit will cover various agency administrative costs (e.g. legal counsel, surveys, engineering, consultants, etc.)

**DEVELOPER'S FINANCIAL CAPACITY.** Prior to the execution of a DDA, the Developer will submit to the Agency satisfactory evidence of its ability to finance and complete development of the Site, including construction and long-term financing.

**ENVIRONMENTAL DOCUMENTS.** The Agency will prepare any and all environmental documents required for the proposed development under CEQA. Any costs, fees and charges associated with the requirements of CEQA shall be paid by the Developer, unless otherwise agreed by the Agency.

**LIMITATIONS OF THE AGREEMENT.** Execution of the ENA by the Agency is merely an agreement to enter into a period of exclusive negotiations according to the terms set forth in the ENA reserving final discretion and approval by the Agency and City as to a potential DDA with the Developer.

  
Jesús Armas  
City Manager

Attachments:

Exhibit A - Site Map  
Resolution

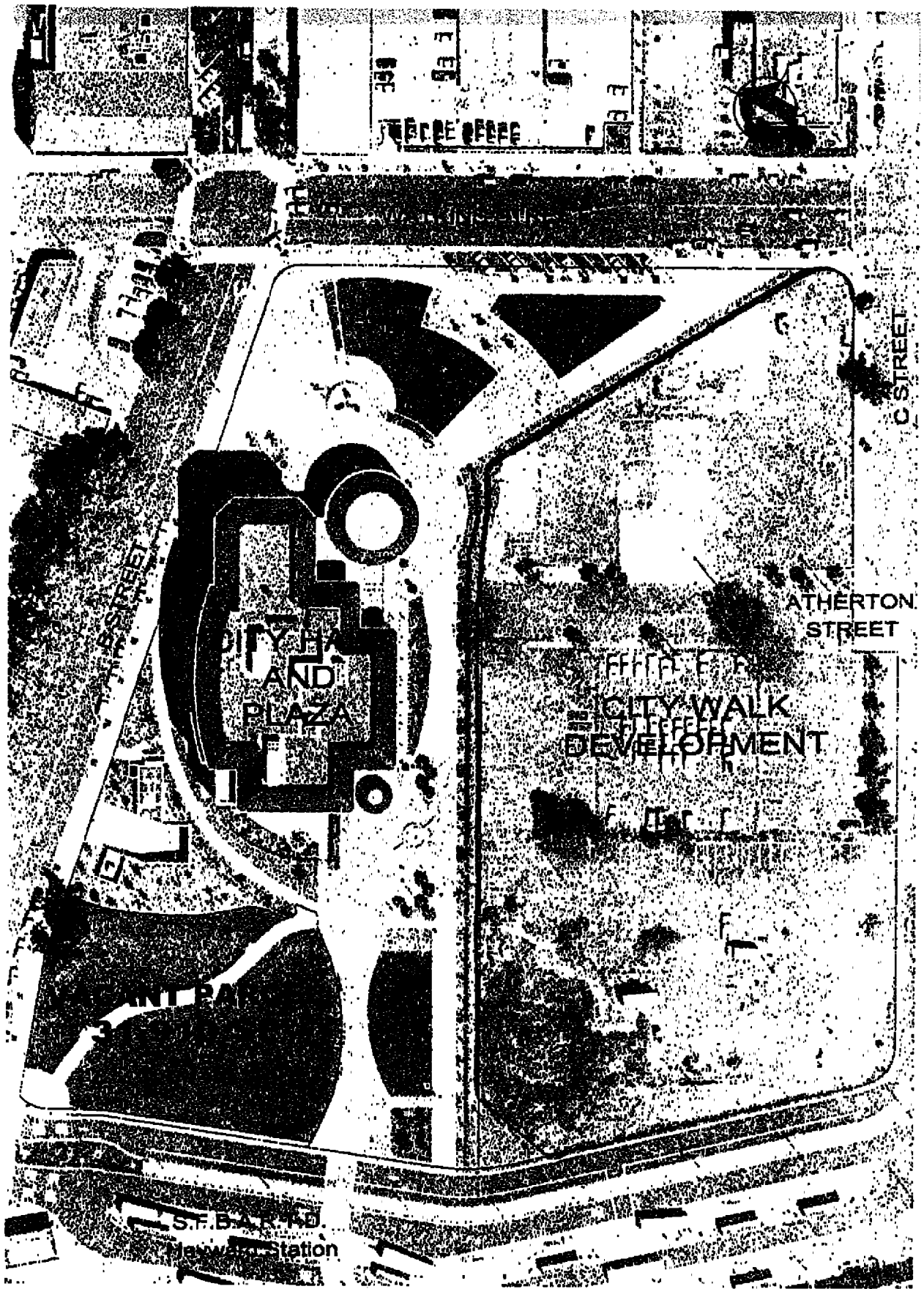


EXHIBIT A

**DRAFT**

*DM 4-20-00*

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-\_\_\_\_\_

Introduced by Agency Member \_\_\_\_\_

**RESOLUTION AUTHORIZING THE EXECUTIVE  
DIRECTOR TO EXECUTE AN EXCLUSIVE NEGOTIATING  
AGREEMENT WITH CITY CENTER COMMERCIAL**

BE IT RESOLVED by the Redevelopment Agency of the City of Hayward that the Executive Director is hereby authorized and directed to execute on behalf of the Redevelopment Agency an exclusive negotiating agreement with City Center Commercial for a period of 120 days, for development of an office building adjacent to City Hall, in a form to be approved by the General Counsel.

HAYWARD, CALIFORNIA \_\_\_\_\_, 2000

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
Secretary of the Redevelopment Agency  
of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel